

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
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)	
COMPASS, INC. d/b/a Compass Global, Inc.)	File No. EB-06-IH-0902
f/k/a Forva, Inc.)	
)	
Compliance with the Commission's)	Acct. No. 200732080006
Rules and Regulations Governing Payphone)	
Compensation)	FRN No. 0010611416
)	

ORDER

Adopted: June 29, 2011

Released: June 29, 2011

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (the "Bureau") and Compass, Inc., d/b/a Compass Global, Inc. ("Compass Global"). The Consent Decree terminates an investigation by the Bureau against Compass Global for possible violations of the Commission's rules governing payphone compensation. Specifically, the Consent Decree terminates the Bureau's investigation concerning sections 64.1300, 64.1310(a), and 64.1320 of the Commission's rules.¹ The Consent Decree also terminates the Bureau's investigation of Compass Global's compliance with a Bureau directive issued pursuant to sections 4(i), 4(j), 218 and 403 of the Communications Act of 1934, as amended (the "Act"),² requiring it to provide certain information and documents.

2. The Bureau and Compass Global have negotiated the terms of a Consent Decree that resolves this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that the Bureau's investigation raises no substantial or material questions of fact as to whether Compass Global possesses the basic qualifications, including those related to character, to hold or obtain a Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Act,³ and sections 0.111 and 0.311 of the Commission's Rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

¹ 47 C.F.R. §§ 64.1300, 64.1310(a), 64.1320.

² 47 U.S.C. §§ 154(i), 154(j), 218, 403. The Telecommunications Act of 1996 amended the Communications Act of 1934. See Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).

³ 47 U.S.C. § 154(i).

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by Certified Mail – Return Receipt Requested to counsel for Compass, Inc., d/b/a Compass Global, Inc., Jonathan S. Marashlian, Esq., Helein & Marashlian, LLC, The CommLaw Group, 1420 Spring Hill Road, Suite 205, McLean, Virginia 22102.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison
Chief, Enforcement Bureau

⁴ 47 C.F.R. §§ 0.111, 0.311.

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CONSENT DECREE

I. INTRODUCTION

1. The Enforcement Bureau of the Federal Communications Commission ("Bureau") and Compass, Inc., d/b/a Compass Global, Inc. ("Compass Global" or the "Company"), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau's investigation into whether Compass Global violated sections 64.1300, 64.1310(a), and 64.1320 of the Commission's rules governing payphone compensation⁵ in addition to a Bureau directive issued pursuant to sections 4(i), 4(j), 218 and 403 of the Communications Act of 1934, as amended (the "Act"),⁶ requiring Compass Global to provide certain information and documents.

II. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- a) "Act" means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - b) "Adopting Order" means an Order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - c) "Compass Global" means Compass, Inc., d/b/a Compass Global, Inc., and its predecessors-in-interest and successors-in-interest.
 - d) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.

⁵ 47 C.F.R. §§ 64.1300, 64.1310(a), 64.1320.

⁶ 47 U.S.C. §§ 154(i), 154(j), 218, 403.

- e) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
- f) “Compliance Plan” means the plan described in this Consent Decree at paragraph 12.
- g) “Effective Date” means the date on which the Commission or the Bureau, by delegated authority, releases the Adopting Order.
- h) “Investigation” means the investigation commenced by the Bureau on March 6, 2006, by the issuance of a letter of inquiry in File No. EB-06-IH-0902, into Compass Global’s compliance with sections 64.1300, 64.1310(a), and 64.1320 of the Commission’s rules governing payphone compensation,⁷ in addition to a Bureau directive issued pursuant to sections 4(i), 4(j), 218 and 403 of the Act,⁸ requiring Compass Global to provide certain information and documents.
- i) “Parties” means Compass Global and the Bureau, each of which is a “Party.”
- j) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

III. BACKGROUND

3. Pursuant to section 276 of the Act, the Commission adopted regulations for payphone service providers (“PSPs”) that are designed to promote competition among PSPs and to encourage widespread deployment of payphone services to the public.⁹ The Rules govern the manner in which a PSP is compensated for a “subscriber toll-free call,” and a “coinless access code call.” Generally, “Completing Carriers”¹⁰ under these Rules are required to compensate PSPs for completed payphone calls in one of two ways: (1) at a rate agreed upon by contract,¹¹ known as an Alternative Compensation Arrangement (“ACA”),¹² or (2) at a per-call rate of \$.494.¹³ In the absence of an ACA, the Rules impose certain requirements upon Completing Carriers to ensure that they compensate PSPs for each and every completed payphone call. These include requirements to establish a call tracking system;¹⁴ to audit the system in accordance with certain standards; to file audit reports with the Commission, PSPs, and

⁷ 47 C.F.R. §§ 64.1300, 64.1310(a), 64.1320.

⁸ 47 U.S.C. §§ 154(i), 154(j), 218, 403.

⁹ 47 U.S.C. § 276; 47 C.F.R. §§ 64.1300 *et seq.*

¹⁰ A “completing carrier” is “a long distance carrier or switch-based long distance reseller that completes a coinless access code or subscriber toll-free payphone call or a local exchange carrier that completes a local, coinless access code or subscriber toll-free payphone call.” 47 C.F.R. § 64.1300(a).

¹¹ 47 C.F.R. § 64.1300(b).

¹² 47 C.F.R. § 64.1300(b).

¹³ 47 C.F.R. § 64.1300(d).

¹⁴ 47 C.F.R. §§ 64.1310(a)(1), 64.1320(c)(1). Section 64.1320(c) sets forth nine specific requirements with which the call tracking system must comply, and for which an independent third-party auditor must verify compliance. The call tracking system was required to be established by July 1, 2004.

Intermediate Carriers (those that switch payphone calls to other facilities-based long distance carriers); to make quarterly payments to PSPs; to provide PSPs a quarterly sworn statement by the CFO; and to provide quarterly reports to the PSPs. If a completing carrier and PSP negotiate a different compensation arrangement and execute an ACA, the Commission's payphone rules allow the carrier to avoid certain regulatory obligations, including the tracking system, reporting and audit requirements.¹⁵ A PSP may not unreasonably refuse to accept an ACA.¹⁶

4. Compass Global agrees that it is a "Completing Carrier" subject to the payphone compensation requirements discussed in paragraph 3, above.

5. On March 6, 2006 the Bureau sent Compass Global a Letter of Inquiry ("LOI") seeking certain documents and information related to the Compass Global's compliance with the payphone rules.¹⁷ Compass Global responded to the LOI on May 6, 2006.¹⁸ On December 27, 2006, the Commission released a Notice of Apparent Liability for Forfeiture and Order ("NAL"), finding that Compass Global was apparently liable for a total forfeiture of \$466,000 for apparently failing to meet its statutory and regulatory obligations related to payphone compensation and to respond on a timely basis to a directive of the Bureau to provide certain information and documents, and support its response with an appropriate affidavit or declaration.¹⁹

6. Compass Global submitted a formal response to the *NAL* on February 8, 2007, and updated the response on April 28, 2008, and November 11, 2008.²⁰ While the LOI response was not submitted by counsel, the *NAL* Response was submitted by counsel and contained significantly more detail about the Company's operations, other unique circumstances, and its efforts to comply with the Commission's payphone compensation rules, including the Company's assertion that certain payphone service providers failed to accept Compass Global's proposed alternative compensation agreements prior to the issuance of the *NAL*.

7. Since that time, the Bureau and Compass Global have engaged in discussions aimed at resolving the issues associated with the investigation. Compass Global also entered into a Tolling Agreement with the Bureau in order to resolve the Investigation with a Consent Decree. On February 4 and 8, 2011, Compass Global provided certified financial information to the Bureau documenting its inability to pay a large forfeiture.²¹

¹⁵ See 47 C.F.R. §§ 64.1310(a), 64.1320(a).

¹⁶ 47 CFR § 64.1320(a).

¹⁷ Letter from Hilary S. DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC, to Dean Cary, President, Compass Global, Inc., dated March 6, 2006 ("LOI" or "March 6 LOI").

¹⁸ See Letter from Dean Cary, President/CEO Compass Global, to Raelynn Tibayan Remy, Attorney, Investigations and Hearings Division, Enforcement Bureau, FCC, dated May 6, 2006.

¹⁹ *Compass, Inc.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 15132 (Enf. Bur. 2006) ("*Compass NAL*" or "*NAL*").

²⁰ Compass Global Response to Notice of Apparent Liability for Forfeiture and Required Reports to Commission, filed Feb. 8, 2007; Letters from Jonathan S. Marashlian, Counsel for Compass Global, to Marlene H. Dortch, FCC, dated April 28, 2008, and November 11, 2008 ("*NAL Response*").

²¹ Letter to Counsel from Dean Cary, President/CEO Compass Global, submitted by Jonathan S. Marashlian, Counsel for Compass Global, dated Feb. 8, 2011.

IV. TERMS OF AGREEMENT

8. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

9. **Jurisdiction.** Compass Global agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

10. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission order.

11. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation. In consideration for the termination of said Investigation, Compass Global agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in the absence of new material evidence, the Bureau will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Compass Global concerning the matters that were the subject of the Investigation. The Bureau also agrees that, in the absence of new material evidence, it will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Compass Global with respect to Compass Global's basic qualifications, including its character qualifications, to be a Commission licensee or hold Commission authorizations.

12. **Compliance Plan.** Compass Global agrees that it will implement a Compliance Plan related to compliance with the Act, the Rules, and the Commission's Orders, with particular emphasis on compliance with the Rules concerning payphone compensation. The Compliance Plan must include, at a minimum, the following components:

- a) **Compliance Officer.** Within 30 calendar days of the Effective Date, Compass Global will designate a Compliance Officer who will administer the Compliance Plan, supervise Compass Global's compliance with the Act, Rules, and Commission Orders, and serve as the point of contact on behalf of Compass Global for all FCC-related compliance matters.
- b) **Compliance Manual.** Within 60 calendar days of the Effective Date, the Compliance Officer will develop and distribute a Compliance Manual to employees and others who perform duties at Compass Global that trigger or may trigger compliance-related responsibilities. The Compliance Manual will include an overview of the Commission's payphone compensation requirements, including privately-negotiated alternative compensation arrangements with PSPs or, in the alternative, (i) call tracking system maintenance; (ii) audit-related requirements; (iii) the requirement to provide PSPs with a quarterly sworn statement by the CFO; and (iv) quarterly reporting requirements.

- c) **Compliance Training Program.** Within 90 calendar days of the Effective Date, all Compass Global employees and others who perform duties at Compass Global that trigger or may trigger compliance-related responsibilities must complete a Compliance Training Program focused on those portions of the Act, Rules, and Commission Orders that relate to payphone compensation. This Compliance Training Program will also be presented to new employees who are engaged in such activities, within the first 30 calendar days of employment, and to employees who are reassigned to such duties within 30 calendar days of reassignment. This Compliance Training Program will track the Compliance Manual, focusing on proper implementation of the Compliance Manual and tailored to specific user groups.
- d) **Review and Monitoring.** Compass Global will review the Compliance Manual and Compliance Training Program at least annually to ensure that they are maintained in a proper manner and continue to address the objectives set forth therein, and will update the Compliance Manual and Compliance Training Program in accordance with any changes to the relevant sections of the Act, Rules, and related Commission orders.
- e) **Reporting Non-Compliance.** Compass Global will report any non-compliance with this Consent Decree or any payphone compensation-related sections of the Act, Rules, or related Commission orders to the Bureau within 15 days after the discovery of non-compliance.
- f) **Compliance Reports.** Compass Global will file Compliance Reports with the Commission 90 days after the Effective Date, 12 months after the Effective Date, and 24 months after the Effective Date. Each Compliance Report must include a compliance certificate from the Compliance Officer stating that he/she has personal knowledge that (i) Compass Global has established operating procedures intended to ensure compliance with the terms and conditions of this Consent Decree and with sections 64.1300, 64.1310(a), and 64.1320 of the Rules concerning payphone compensation, together with an accompanying statement explaining the basis for the certification; (ii) Compass Global has been utilizing those procedures since the previous Compliance Report was submitted; and (iii) Compass Global is not aware of any instances of non-compliance. The certification must comply with section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein. If the Compliance Officer cannot provide the requisite certification, he/she must provide the Commission with a detailed explanation of: (i) any instances of non-compliance with this Consent Decree and the Rules, and (ii) the steps that Compass Global has taken or will take to remedy each instance of non-compliance and ensure future compliance, and the schedule on which proposed remedial actions will be taken. All Compliance Reports must be submitted to the Chief, Investigations & Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 4-C320, Washington, D.C. 20554.
- g) **Termination.** The requirements relating to the Compliance Plan shall expire 36 months after the Effective Date.

13. **Section 208 Complaints: Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to section 208 of the Act against the Company or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by the Company of the Act, the rules, or the Order.

14. **Voluntary Contribution.** Compass Global agrees that it will make a voluntary contribution to the United States Treasury in the total amount of \$20,000.00, payable in equal monthly installments over six months. The first payment must be made within 10 business days of the Effective Date. The payments must be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payments must include the Account Number and FRN referenced in the caption to the Adopting Order. Payments by check or money Order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payments by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank Federal Reserve Bank of New York, and account number 27000001. For payments by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). Compass Global will also send electronic notification to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov and to Mindy Littell at Mindy.Littell@fcc.gov on the dates said payments are made.

15. **Waivers.** Compass Global waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Bureau issues an Order adopting the Consent Decree without change, addition, modification, or deletion. Compass Global will retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Compass Global nor the Commission will contest the validity of the Consent Decree or the Adopting Order, and Compass Global will waive any statutory right to a trial *de novo*. Compass Global hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

16. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

17. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Compass Global does not expressly consent) that provision will be superseded by such Commission rule or order.

18. **Successors and Assigns.** Compass Global agrees that the provisions of this Consent Decree will be binding on its successors, assigns, and transferees.

19. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute full and final settlement between the Parties. The Parties further agree that this Consent Decree

does not constitute and shall not be construed as (1) an adjudication on the merits; (2) a factual or legal finding or determination; or (3) an admission by Compass Global regarding any compliance or noncompliance with the requirements of the Act or the Rules and/or the Commission's orders. The Parties further agree that this Consent Decree does not constitute and shall not be construed as a finding that it would be in the public interest, or contrary to the public interest, to grant, deny, dismiss, or otherwise take final action on any pending auction application filed by Compass Global.

20. **Modifications.** This Consent Decree cannot be modified without the written consent of both Parties.

21. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

22. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

23. **Counterparts.** This Consent Decree may be signed in counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

By: _____
P. Michele Ellison
Chief, Enforcement Bureau
Federal Communications Commission

By: _____
Dean Cary
President and CEO
Compass, Inc., d/b/a Compass Global, Inc.

Date: _____

Date: _____